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MEMORANDUM FOR: CHIEFS, PY DIVISION

POLITICAL ACTION DIVISION ECONOMIC WARFARE DIVISION

RESISTANCE DIVISION

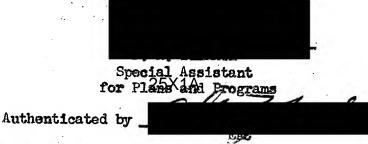
INTERNATIONAL ORGANIZATIONS DIVISION

AIR MARITIME DIVISION COMMERCIAL DIVISION

SUBJECT

Review of National Policies and Their Adequacy to Support the Clandestine Effort

- 1. A review of national policies is being conducted to determine adequacy of policies to support the NSC 10/2 objectives and activities. Attached is a basic framework of apparent policy inadequacies which has been obtained from monthly reports and allied papers from geographic divisions.
- 2. Your help is solicited in reviewing this paper and furnishing such supplemental policy considerations as are within your cognizance. It is requested that your comments be furnished to SPP by the close of business, Friday, 3 October, (1018 K).
- 3. It is proposed to submit a revised paper embodying your comments to the Area Divisions for their replay And comments.



Attachment: Report on Policy Inadequacies

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29 September 1952

# CIA Requirements for Policy Clarification, Additions, or Revisions Necessary for more Effective Implementation of NSC 10/2 and NSC 10/5 Type Activities

#### TABLE OF CONTENTS

					4	**	
I.	GENERAL .		• • • •		• •	1	
	A. NSC Poli	cies	•				
_ =	B. Inter-Ag	ency Pol	icies				
	C. Internal	Agency	Policies				
II.	WESTERN EURO	PE .			• 0	3	
	A. NSC Poli	cies					
	B. Inter-Ag	ency Pol	icies				
	C. Internal	Agency 1	Policies				
III.	EASTERN EURO	PE.			• 0	4	
	A. NSC Poli	cies					
	B. Inter-Ag	ency Poli	icies				
	C. Internal	Agency I	Policies				
IV.	SOUTHEASTERN	EUROPE A	and satellit	e countries	ø ø	.5	
	A. NSC Police	cies					
	B. Inter-Age	ency Poli	cies		•	. •	
	C. Internal	Agency I	Colicies				
V.	MIDDLE EAST		• • • •	9 • 0 •	a e	6	
	A. NSC Police	ies	•				
	B. Inter-Age	ency Poli	cies				
	C. Internal	Agency P	olicies				
			TOP SECRET		TS Copy 2	82885 of 13	Copies

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VI.	FAR	EAST
	A.	NSC Policies
	B.	Inter-Agency Policies
	C.	Internal Agency Policies
VII.	LAT	IN AMERICA
	A.	NSC Policies
	B.	Inter-Agency Policies
	C.	Internal Agency Policies
VIII.	USSI	
	A.	NSC Policies
	В.	Inter-Agency Policies
	C.	Internal Agency Policies

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#### I. GENERAL

#### A. NSC Policies:

Generally speaking, because overt manifestations of United States policy have a direct effect on CIA covert operations, it is imperative that the U. S. adopt a firmer attitude toward the Soviet Government and pursue a more aggressive policy, which would force the Soviets to resort to defensive rather than offensive tactics.

There is a requirement for a new national strategy determined by top national military, economic, and diplomatic planners on the basis of feasible and practical allocation of world-wide U. S. military and economic resources.

Develop a policy providing responsibility for planning and executing strategic deception plans and operations in the promulgation of the national psychological warfare programs.

### B. <u>Inter-Agency Policies</u>:

It should be emphasized as a policy that covert programs cannot conceivably operate unilaterally with any expectation of success, and accordingly, CIA's covert capability should not be considered a determining factor in devising U. S. strategy or in developing U. S. programs in pursuance of that strategy.

Clear—cut policy guidance on certain basic problems is required, such as the extent to which preclusive buying operations may be employed, or resort made to sabotage, or violence, as instruments of control.

# C. <u>Internal Agency Policies</u>:

The following CIA proposed programs are subject to clarification of certain policy questions:

Intensification of effort to locate the sources and individuals involved in illegal East-West trade.

An intensive propaganda campaign designed to publicize, discredit, and intimidate Western participants in illegal East-West trade.

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#### II. WESTERN EUROPE

#### A. NSC Policies

There is a need for a forceful, positive, and imaginative policy in the political field which will provide:

- 1. A reinvigorated Vestern Europe;
- 2. A continuation of U. S. military and economic aid to Western Europe;
- 3. Closer political, economic, social, and cultural ties among the Atlantic and European powers.

The U. S. Government would enhance its national psychological warfare programs if it provided policy guidance for political, military, and economic leadership in those evolutionary movements engaged in developing the political and economic integration of European States and the preservation of peace and security.

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#### III. EASTERN EUROPE

25X7 A. NSC Policies:

Public statements by the U. S. regarding its policy toward Polish and Czechoslovakian problems are needed.

The most significant obstacle to the successful conduct of covert cold war activities in Western Germany is the incipient sovereignty of the German Federal Republic and the absence of U. S. policy guidance defining our position with respect to this republic.

25X1C B. Inter-Agency Policies:

Official U. S. diplomatic policies should stress to the Swiss people that Swiss national self-interest requires closer cooperation with the West in the cold war. 25X1A

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- 4 -

## IV. SOUTHEASTERN EUROPE

### A. NSC Policies:

There is a requirement for a clearly-defined U. S. policy toward the Balkan area, with respect to U. S. end objectives and the methods that should be used to attain them.

This lack impedes the development of phased operations designed to implement any over-all strategic plan.

# B. Inter-Agency Policies:

Some policy problems have developed with respect to Trieste due to American Military Government, Free Zone, etc., as a result of which no avenues for immediate action have been developed.

A joint statement of non-aggressive intent by Yugoslavia, Greece, and Italy, guaranteeing Albania's independence and the integrity of its present territorial borders.

Expedite a rapprochement of Italy and Yugoslavia by eliminating items of serious friction such as the Trieste question.

25X1C C. Internal Agency Policies:



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#### V. MIDDLE EAST

#### A. NSC Policies:

Extensive revision of NSC policy with respect to Iran (NSC 107/2) is required. Such a revised policy should be designed particularly to take into account the various contingencies which lie ahead in the absence of an oil settlement, and to lay down courses of action therefor, including policy authorizations for an extensive stay-behind and stockpiling program designed to cover situations short of Soviet occupation, such as Tudeh coup, civil war, or political fragmentation of the country.

A policy conflict exists with respect to the U. S. policy of supporting France's position in Newth Africa. This conflict affects the effective development of a national psychological program not only in French North Africa, but also throughout African, Arabian, and Asiatic spheres of influence.

The disparity in the application of U. S. policies with respect to Israel and the Arab States has been a major source of friction with the Arab and Moslem States and has impeded the successful application of a national psychological program in the Near East.

Clarification of certain policies of the West toward Kashmir problems,

A broad re-examination of our national policy with respect to the Near East is called for, with a view to clarification of U. S. relations with British and the French in matters affecting the Near East.

At the present time, most of the NSC papers relating to the Near East consist of principles drafted so broadly that it would be possible within their frame of reference to pursue diametrically opposed courses of action.

The following policy clarifications are required:

- 1. The position of U. S. and British roles in the Middle East.
  - 2. Israel vis-a-vis the Arab States.
- 3. Principle of self-determination, within the framework of reconsideration of our policy <u>vis-a-vis</u> the British and French.

The stalemate in implementing NSC directives for oil conservation and denial in Saudi Arabia and in the Persian Gulf countries shows no indication as to when the NSC will consider the conclusion of future action desired under NSC directives.

> B. Inter-Agency 82885 Convol of 13 Contes

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#### B. Inter-Agency Policies:

Implementation of NSC 26 directives on oil conservation and denial in the Persian Gulf area continues to be stalled. The oil companies will not recede from their current position on two major issues that have virtually stopped field operations on this project: first, the companies will not continue planning staffs to keep service-denial plans current quickly usable unless the local governments will conform on the programs; second, the companies will not direct the execution of the plans if not ordered to do so by the United States Government, without formal acceptance of responsibility by the United States Government.

25X6



potential is the policy divergencies existing at the present time between the U. S., the U. K., and France with respect to this area.

On the diplomatic front, resolve:

- 1. The Anglo-Egyptian treaty dispute:
- 2. The Anglo-Iranian oil dispute:
- 3. U. S. military responsibilities <u>vis-a-vis</u> the British and Frenchic



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Failure to respect Near Eastern sensibilities on the part of the American public and certain American officials, as evidenced in highly ciritical statements concerning the Arabs on the part of officials sympathetic to Israel.

In Southeast Asia. Little progress can be managed with

respect to United States aims and objectives, although Burma continues to be orientated to the lest, and its press has finally denied the Soviet charge of biological warfare. Both Burma and Malaya are economically shaky, and a proposed cut in economic aid to Burma will reflect to our disadvantage.

25X1CC. Internal Agency Policies:



CIA's capabilities to influence the Iranian and Egyptian situation have been or will be materially reduced.

long-range planning on a project basis to meet the unpredic-25Xtable future in Iran and Egypt would be only unrealistic.

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25X1C

VI. FAR EAST

#### A. NSC Policies



Reinforce and readjust present policy measures calculated to strengthen the U. S. in its struggle with military communism. Our Japanese policy and our Pacific defense agreements program are causes in point.

Develop outside China proper, a Chinese rallying point to provide political and psychological leadership, as well as a base for operations,

A revision of U. S. policy toward Communist China, employing military, diplomatic, economic, and covert measures, short of war, for the purpose of detaching China from the Soviet orbit is needed.

25X1C B. Inter-Agency Policies



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Orient China toward Japan.

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## VII. LATIN AMERICA

### A. MSC Policies

CIA requires policy authorization for far broader covert activities than is presently authorized as a matter of policy by the State Department.

# B. Inter-Agency Policies

It is recommended as a prerequisite to successful "cold war" operations that the U. S. Government adopt firmer policies toward Argentina and Guatemala. If the U. S. does not take vigorous steps, it will be difficult for this country to avoid finding itself in a position similar to that which Britain now occupies in the Middle East.

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#### VIII. USSR

#### A. NSC Policies

A clear-cut public statement by the U. S. reaffirming the basic question of self-determination of various separatist groups.

#### B. Inter-Agency Policies

A revision of policy is desired with respect to the proper approach to the over-all question of ethnic minorities in the USSR. Present policy provides for U. S. support of anti-regime resistance of the great Russians and CIA has directed its activities to this end. Resolution is desired of the policy question as to the extent to which CIA should be permitted to support clandestinely and operationally exploit, either for intelligence or for action measures, any group or individual, regardless of political association and aspirations, providing such group or individual is actively interested in the destruction of the Bolshevik Regime.

The problem of obtaining the cooperation and support of foreign governments to establish bases on their territory from which clandestine activities against the USSR can be undertaken.

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